

serving the citizens
of *Maryland*

2011

MOTOR VEHICLE ADMINISTRATION
annual report

MVA
Motor Vehicle Administration

2011

MOTOR VEHICLE ADMINISTRATION

annual report

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letter from the administrator

At the Maryland Motor Vehicle Administration (MVA), service, safety and security are always at the forefront of every product delivery and customer service transaction we provide. Daily, we touch the lives of more Marylander's than any other state agency. During this past year, I was honored to serve as AAMVA's Region I President and to continue my strong alliance with national and international automotive and traffic safety agencies. These far-reaching partnerships have proven to save lives and prevent injuries on Maryland's roads through comprehensive and effective traffic safety programs.

Today, the MVA maintains its commitment to providing quality services to more than 4 million Maryland licensed drivers and owners of almost 5 million registered vehicles. I am proud of the business function and technical accomplishments made throughout this past year by our hard-working and dedicated employees. These accomplishments allow for more efficient and convenient access to driver and vehicle products and services through the realization of new and enhanced policies, regulations, and alternative delivery methods. It is with great pleasure that I present the Maryland MVA report of accomplishments for FY11.

John Kuo

John Kuo





the role of Maryland's MVA

The Maryland
Motor Vehicle
Administration
(MVA) is the
gateway to
Maryland's
transportation
infrastructure.

The MVA shall provide
exemplary driver and
vehicle services that
promote Maryland's
mobility and safety
while enhancing
process and product
security.

The greatest service the MVA can provide to Maryland's citizens is to ensure the safety and security of everyone on Maryland's roads.

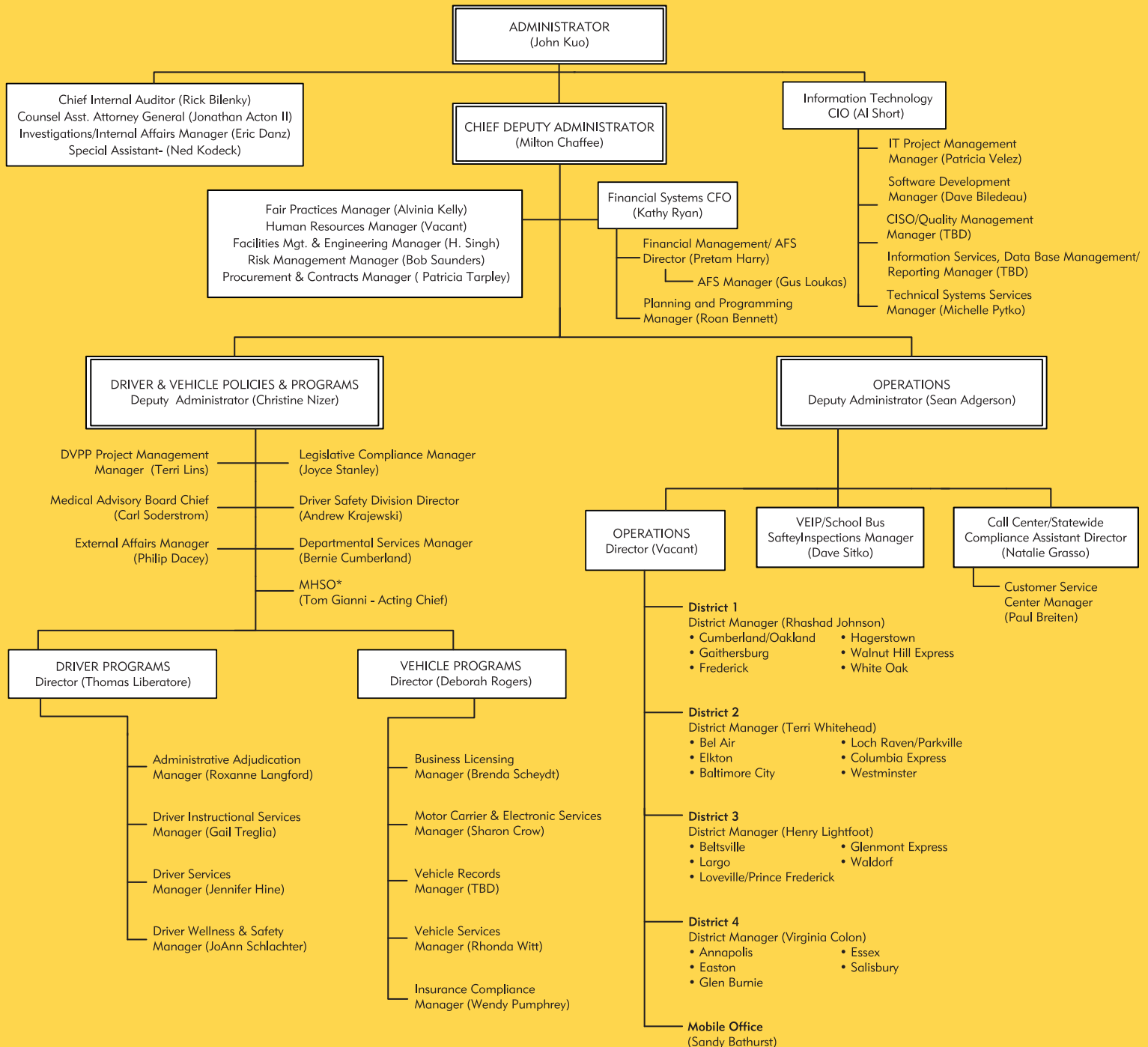
This is accomplished by ensuring that all Maryland licensed drivers are well trained and have the knowledge and skills necessary to operate a vehicle safely and that all vehicles on Maryland roads meet or exceed a set of mechanical and environmental standards. The MVA works to keep individuals who are under the influence of alcohol or drugs, or who are impaired due to health issues, off of Maryland roads.

The MVA also ensures that anyone purchasing or selling a vehicle in Maryland is treated fairly and that the proper transfer of ownership takes place.

The MVA touches the lives of nearly every resident in Maryland.

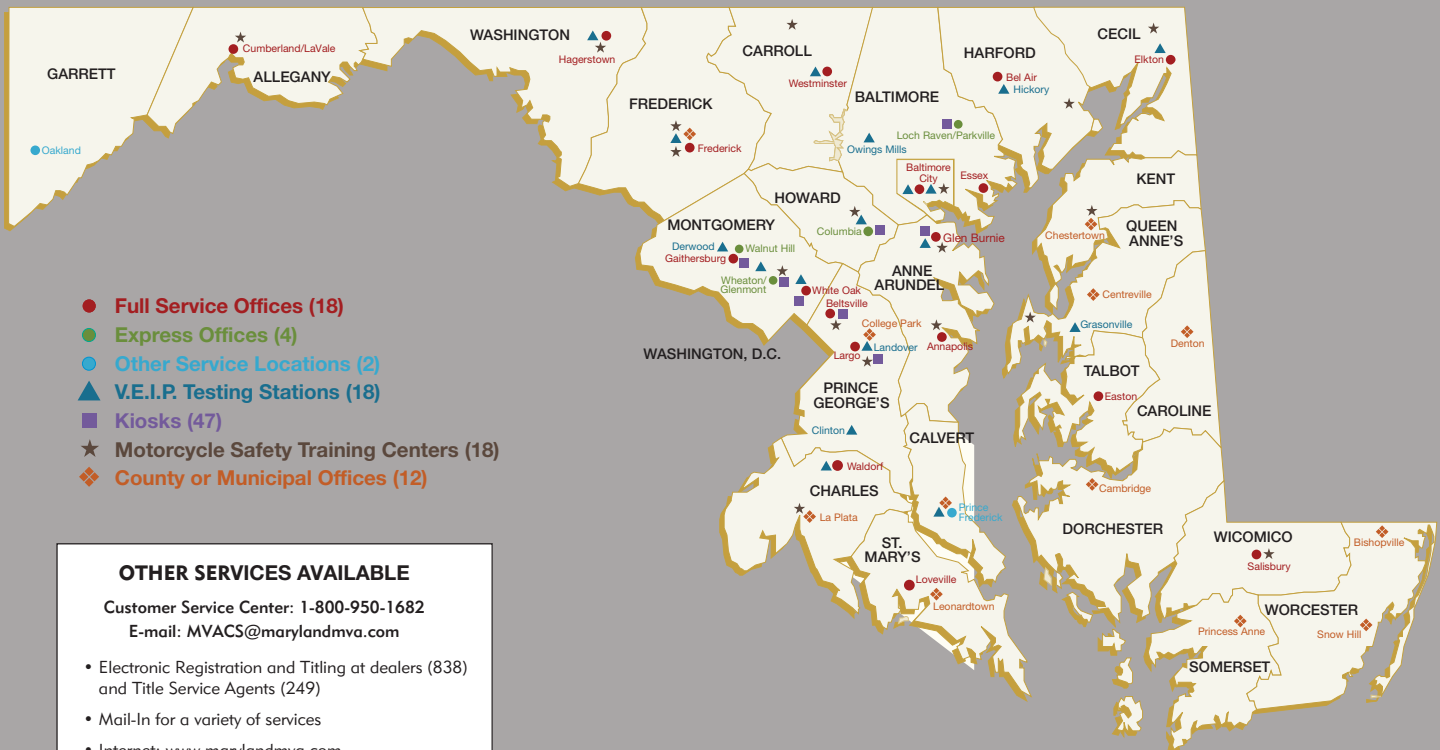


organizational chart



* Coming FY 2012

service delivery map



OTHER SERVICES AVAILABLE

Customer Service Center: 1-800-950-1682
E-mail: MVACS@marylandmva.com

- Electronic Registration and Titling at dealers (838) and Title Service Agents (249)
- Mail-In for a variety of services
- Internet: www.marylandmva.com
- Interactive Voice Response: 1-800-950-1682
- TTY: 1-800-492-4575

**Do your MVA transactions online –
it's fast, easy, secure.**

“The MVA touches the lives
of nearly every resident
in Maryland.”

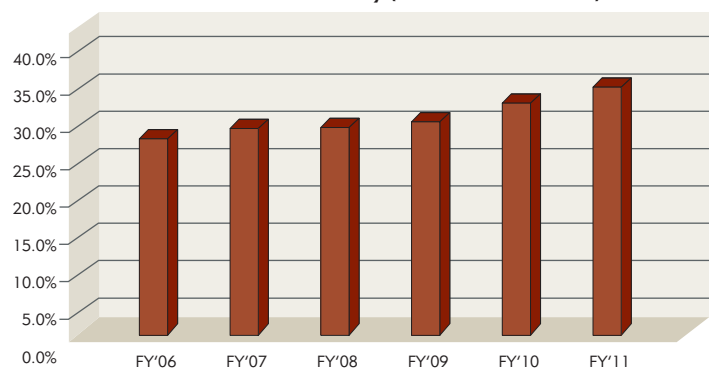
alternative service delivery

An increased focus on alternative service delivery (ASD) methods such as the Internet, mail, Kiosks, Electronic Registration and Titling (ERT) and telephone has benefitted both the customer and the MVA by eliminating the requirement to visit a branch office. These reduced trips to the MVA afford customer agents additional time to concentrate on more complex customer transactions and enhances the environment by reducing vehicle emissions and total vehicle miles traveled.

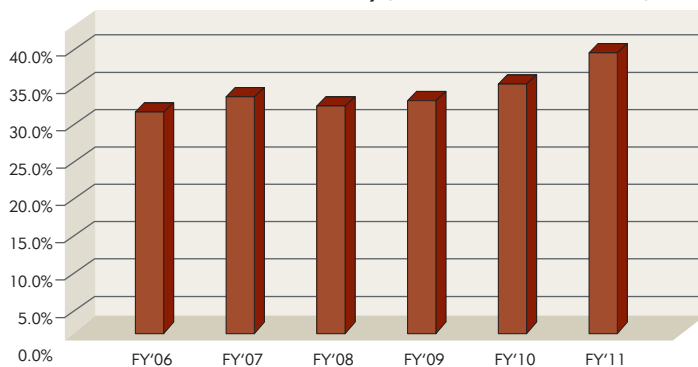
Over the past six years, the use of alternative methods has steadily increased. When reviewing branch based transactions, the percentage of alternative service delivery has increased from less than 31% in FY06 to almost 39%.

All alternative delivery usage, including Vehicle Emissions Inspection Program (VEIP) and Business Services, has increased steadily from 27% in FY06 to more than 34%.

% Alternative Service Delivery (All MVA Transactions)



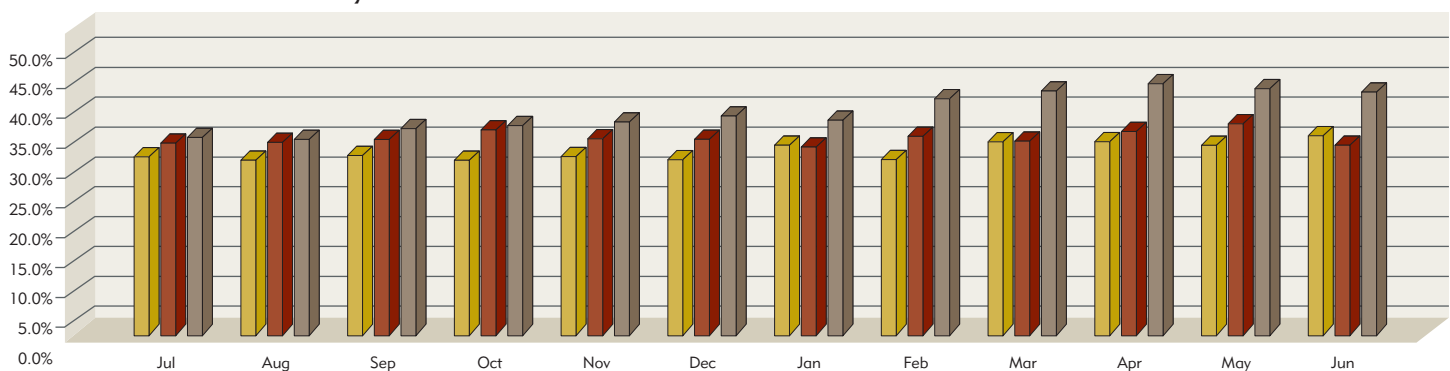
% Alternative Service Delivery (Branch Based Transactions)



The highest FY11 contributors to alternative service delivery transactions were registration renewal at nearly 88% and new titles via the ERT system at over 53%. However, all major transactions that have alternative delivery methods available did steadily increase throughout the year, recording a 42.3% overall ASD percentage rate by the month of June.

% Alternate Service Delivery

■ FY09 ■ FY10 ■ FY11

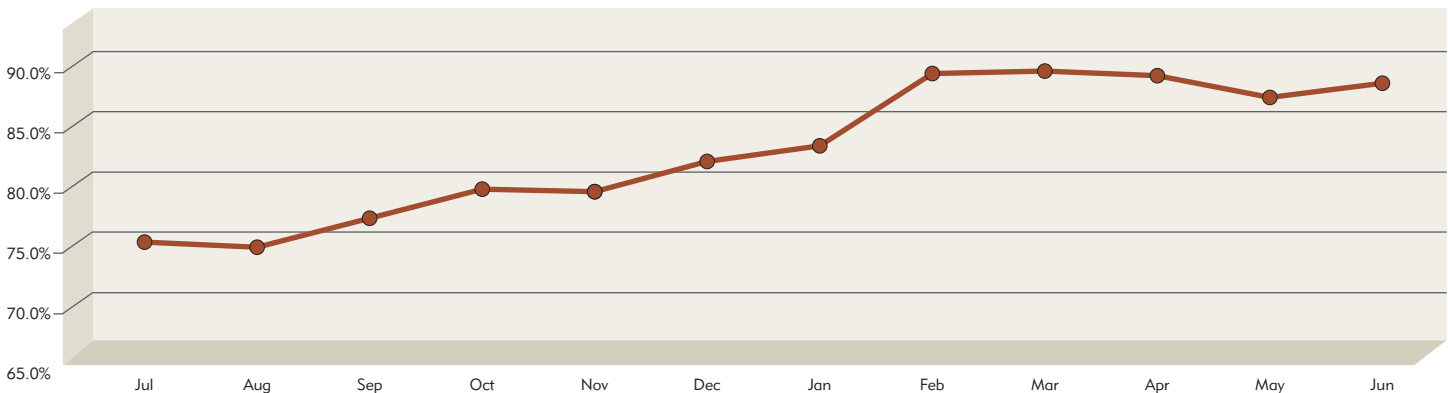


registration renewal

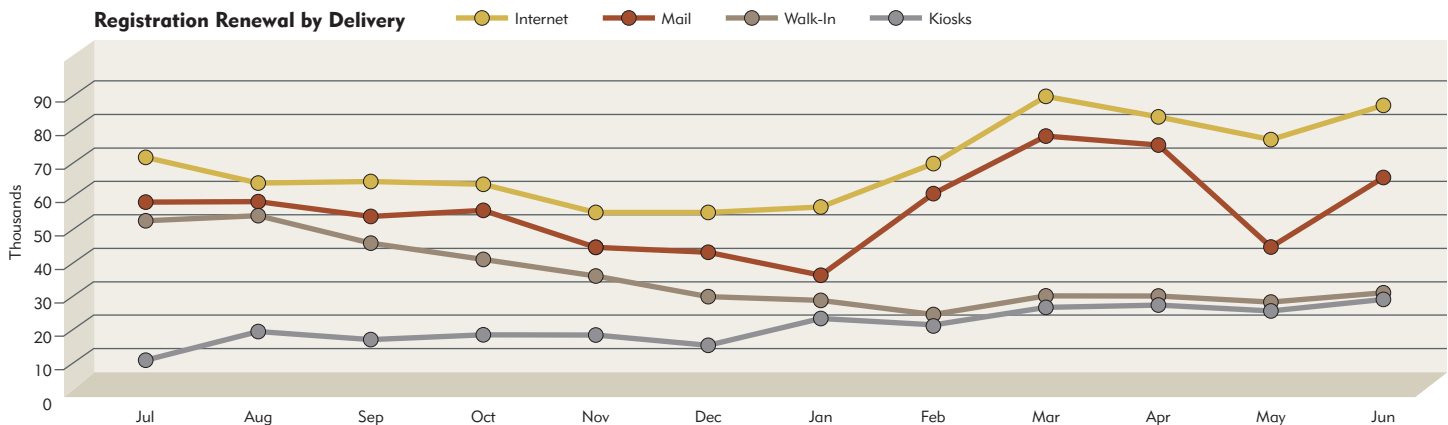
Beginning in January 2011, the MVA instituted a new policy requiring all customers with “clean renewals” to renew their registration by alternative means such as Kiosk, Internet, Interactive Voice Response (IVR) or ERT. A clean registration is one where the customer has no outstanding fines or fees and the only transaction necessary to complete the renewal is the actual renewal itself. Customers who need to complete other transactions before the renewal are still eligible to perform the transaction at a counter.

The primary goal of this policy was to redirect customers away from branch counters to provide MVA customer agents additional time to concentrate on more complex transactions. As a result, registration renewals increased for all types of delivery methods and walk-in registration renewals decreased by 37%. Overall, registration renewals performed through alternative service delivery methods increased from an average of 77% to almost 88%.

% Registration Renewal by ASD



Registration Renewal by Delivery



“The greatest service the MVA can provide to Maryland’s citizens is to ensure the safety and security of everyone on Maryland’s roads.”

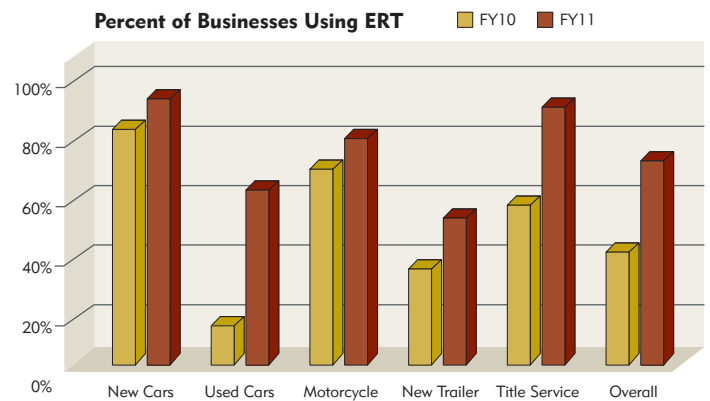
— John Kuo, Administrator

electronic registration and titling (ERT)

In FY11 almost one million vehicles were sold in the State of Maryland. Before ERT, at least one in-branch MVA transaction had to occur for each vehicle sold. Today, dealerships can register, title and tag vehicles through the ERT system at the time of purchase, thus eliminating the in-person visit to a branch office. In FY11, over 700,000 transactions were done through ERT that were once performed in the branches. In addition, tag & title companies can take advantage of this program saving them time and effort and a visit to a branch.

In FY11, the MVA was very successful moving businesses to ERT. The percent of eligible businesses with ERT increased from around 40% to over 71%. The biggest growth came from Used Car Dealers (16% - 61%). This was accomplished through a concerted effort to educate dealers of the benefits of ERT and by mandating that ERT be utilized for specific transactions such as the issuance of digital temporary tags. Additionally, the MVA began requiring ERT participants to process tag returns electronically rather than walking them into branch offices.

Until FY11, the MVA printed temporary tags on cardboard and distributed them to dealerships using ERT. Today, the dealer prints a computer generated temporary tag on standard paper and places it into a plastic cover that attaches to the vehicle. This new method of service delivery has saved a considerable amount of funds and labor in the processing, printing and distribution of temporary tags.



released inmate ID (RIID)

The State of Maryland has recognized that it can be difficult for a recently released inmate to integrate back into society. In order to assist in this process, the MVA, working with the Department of Correctional Services, instituted a program to give eligible inmates, who are about to be released, a State issued identification (ID) card.

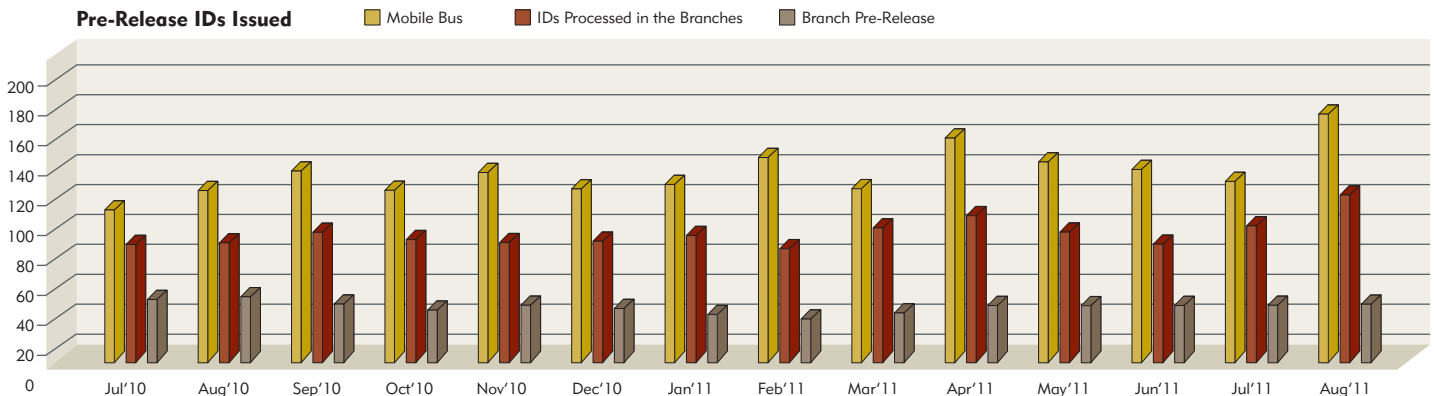
In FY11, the MVA processed 1,572 inmate ID cards using the mobile bus. However, the MVA had taken its responsibility to the inmates and to this program one step further, and implemented two additional programs.

1. Branch Post-Release – Under this program any inmate who has been recently released can get an ID card free of charge when visiting a branch office. In FY11, the MVA processed 1,088 ID cards to recently released inmates.

2. Branch Pre-Release – Selected branches located near prison facilities open early and process ID cards for pre-release inmates that are transported to MVA facilities. In FY11, 526 inmates received IDs under this program.



While the MVA had an annual maximum goal of issuing 1,800 inmate IDs, that goal was far exceeded by 1,386; resulting in achieving 177% of the maximum goal. Overall, the MVA provided 3,186 inmates with ID cards which is between 33% and 50% of the eligible inmates who were released in FY11.



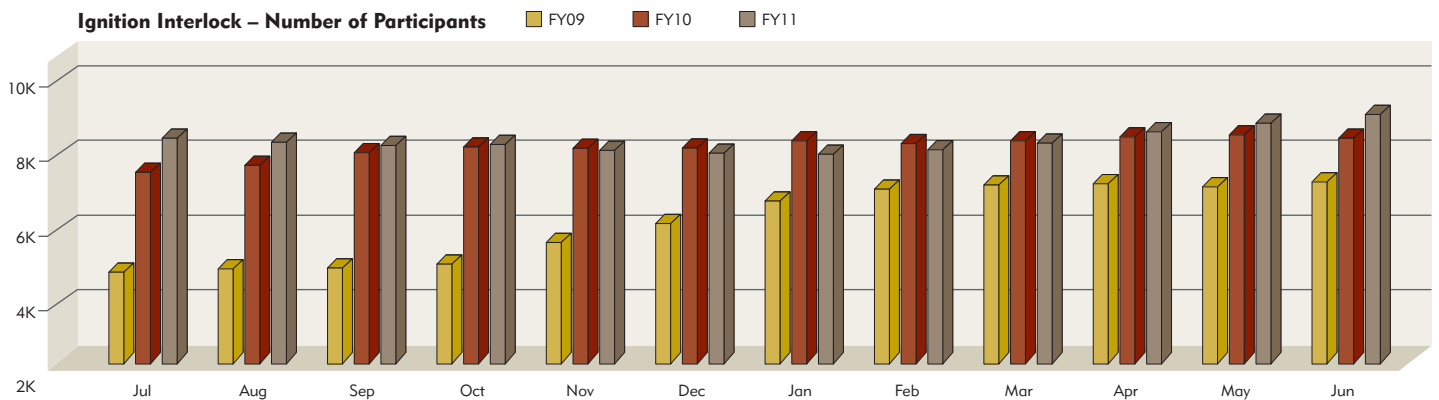
ignition interlock

The MVA is responsible for taking administrative action against customers who are repeat offenders of Maryland's alcohol abuse regulations. In the past, there had to be a trade-off of whether Maryland would remove driver privileges, thereby possibly threatening customer employment, or allow violators to continue to drive and take a risk that they would abuse the alcohol laws again.

Ignition Interlock is a program that permits drivers to commute to work by vehicle without the risk of driving under the influence of alcohol. The driver must periodically blow into an ignition interlock device (similar to a breathalyzer) in order for their vehicle to operate. If at any point the analyzed result is higher than the programmed blood alcohol concentration, the device will warn the driver and start an event such as an alarm, flashing lights or blowing horn until the vehicle is turned off. Data recorded from the device is monitored by an authorized independent agency and provided to the MVA each month for review and follow-up customer interaction.



This program has been very successful in keeping repeat drunk drivers off the road. The number of participants has grown over the last three years from less than 5,000 in July of 2009 to almost 9,000 in July of 2011.



baltimore city branch relocation



The MVA Baltimore City branch office was relocated from its former site at Mondawmin Mall, where it had been since 1983, to its present location at the Hilltop Shopping Center located at Reisterstown Road and Rogers Avenue.

The new location, which is three miles north of the previous site, was collaboratively selected by Baltimore City's elected officials, state elected officials, the Baltimore City Development Corporation and the Baltimore City Department of Transportation. It provides excellent access to the Baltimore Beltway, Northern Parkway, as well as Bus and Metro Service. It is located within a Baltimore City Enterprise Zone and is viewed as playing a significant role in the efforts to revitalize this neighborhood. The new facility is approximately 20,000 square feet, which is 10,000 square feet smaller than the prior location.

To minimize customer interruption, notices of the move were posted throughout the branch two months in

advance, as well as providing a recorded message to customers contacting the MVA via telephone service. The move occurred on a Friday evening after the branch closed, and continued on Saturday and Sunday. The new branch was opened for business as usual on Monday morning with all functions 100% operational.

The new location is unique because it employs all of the latest technologies available at the MVA, such as new law room testing system; driver skills testing with Tough Book computers; all green technology from lights to water; and a 24-hour Kiosk.

The Baltimore City Branch ranks in the top 5 of MVA branches in terms of transactions conducted. During FY11, there were 60 employees assigned to this office.

MARYLAND



revenues

Revenues increased in FY11 to \$1.3 billion, a 6.7% increase over the FY10 recorded revenue of \$1.2 billion. This revenue increase is attributable to an almost 10% increase in Excise Tax revenue and a 200% increase in VEIP revenue.

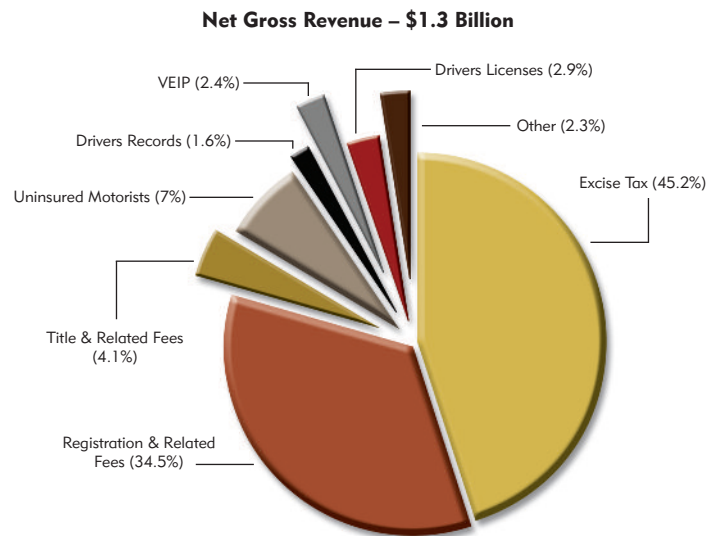
During FY10, VEIP went through a conversion and change of vendors, which required business operations and testing to be shut down for a period of almost six months. During the third business quarter of FY10, VEIP operations returned to normal and have since been operating at full capacity; thus, the significant increase in revenue from FY10 to FY11.

The Excise Tax increase is due to a 4.4% increase in vehicle sales over FY10. The increase in sales was also responsible for the 2.2% increase in titling and registration fees. Driver license revenue dropped by a little more than 5% as a result of FY11 being at the low point in the five year driver license renewal cycle.

The charts to the right represent the major business area contributions to the FY11 MVA revenues.

Net Gross Revenue

Revenue Source	FY11 Revenue	FY10 Revenue
Excise Tax	\$595,909,662	\$544,421,461
Registration & Related Fees	\$454,806,136	\$444,103,887
Title & Related Fees	\$53,534,600	\$52,406,845
Uninsured Motorists	\$92,732,823	\$95,713,189
Drivers Records	\$20,782,877	\$21,877,365
VEIP	\$32,027,077	\$9,567,333
Drivers Licenses	\$37,642,474	\$39,742,805
Other	\$30,948,561	\$27,475,067
Total	\$1,318,384,210	\$1,235,307,952



expenditures

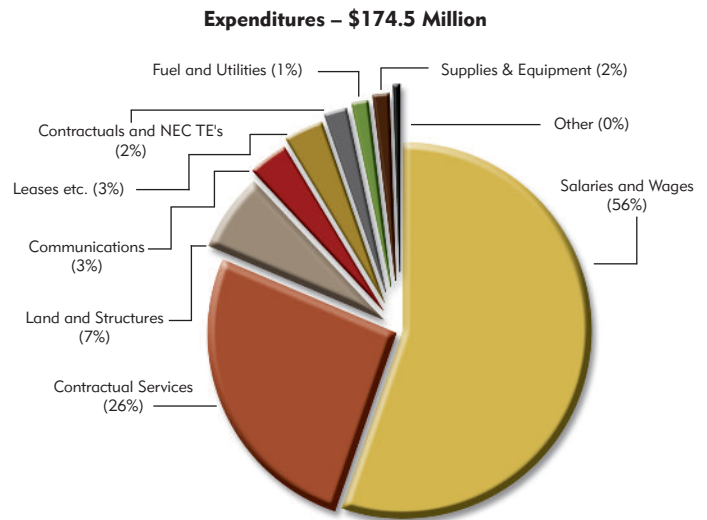
In FY11, MVA spent \$174 million of its \$182 million budget allocation; thereby, successfully closing the fiscal year-end within 4% of its budget allotment. By far, the largest component of MVA expenditures was for salaries and wages. During FY11 all human capital resource expenditures, to include permanent, contract and temporary employees, totaled \$100 million. In FY10, personnel expenses were \$101 million which indicates that the MVA reduced its manpower expenses by 1% at a time when its responsibilities were increasing.

Overall, expenses increased from \$167 million in FY10 to \$174 million in FY11 – a 4% growth. However, this increase was due to a legislatively mandated VEIP accounting change and not to an increase in spending. Previously, the fees for the VEIP contractor were paid out of the revenues they collected; thus, the cost of their services were not previously included as an expense. Now the fees paid to the VEIP contractor are required to be included. This is shown in the \$14 million increase in contractual services expenditures in FY11 over FY10.

The charts to the right reveal the contribution of each expense category in FY11.

Internal Expenditures

Category	FY11 Expenditure	FY10 Expenditure
Salaries and Wages	\$96,740,478	\$97,750,408
Contractual Services	\$45,435,287	\$31,375,908
Land and Structures	\$11,823,548	\$17,939,526
Leases etc.	\$5,865,678	\$5,374,509
Communications	\$5,648,197	\$5,882,079
Contractuals and NEC TE's	\$3,332,648	\$3,861,768
Supplies & Equipment	\$2,743,200	\$2,865,517
Fuel and Utilities	\$2,289,219	\$2,319,983
Other	\$687,971	\$454,611
Total	\$174,566,226	\$167,824,309
 Budget	 \$182,336,354	 \$178,489,944
% of Budget	95.7%	94.0%



external disbursement of funds

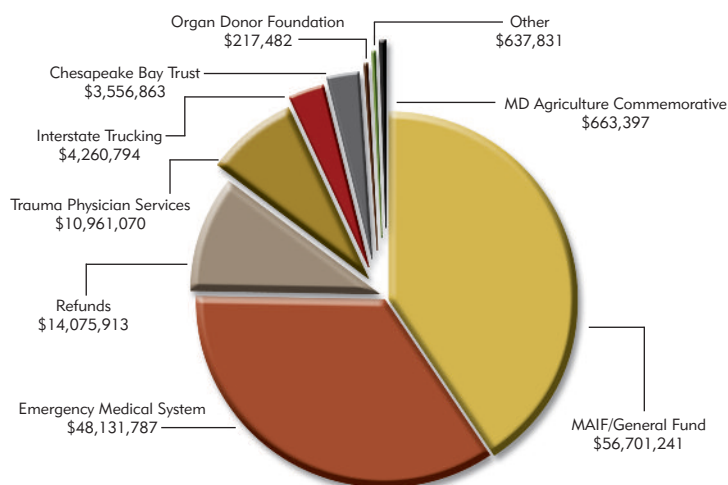
Besides paying for MVA's operating expenses and contributing to Maryland's Transportation Trust Fund, certain transaction revenues directly support other organizations in Maryland. The two biggest recipients are the Maryland Automobile Insurance Fund (MAIF) and the general fund; whereas revenues support the Uninsured Motorist Penalties and the Emergency Medical Systems and Trauma Physician Services programs. Revenues are also distributed to Foundations such as the Chesapeake Bay Trust, Maryland Agriculture Commemorative and Organ Donor. Also, included are refunds and the revenues from out-of-state trucking. The remainder of the MVA revenues, \$1.2 billion, goes to the Transportation Trust Fund. The MVA's contribution (Registration & MVA Fees and Vehicle Titling Taxes) represents 35% of all of the money collected for the fund.



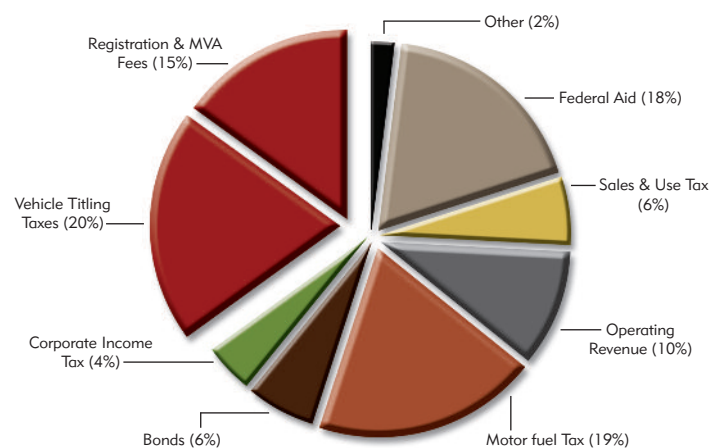
The chart below indicates the recipients of MVA funds.

External Disbursement of Funds – \$139 Million

Remainder to the Transportation Trust Fund – \$1.2 Billion



Transportation Trust Fund Sources – FY2011



The MVA is responsible for 35% of the Transportation Trust Fund

capital projects

Over the past six years, MVA has made an average annual capital investment of \$110 million (\$18 million a year) in facilities and information technology (IT). Slightly more than half was invested in information technology, and the rest on facilities.

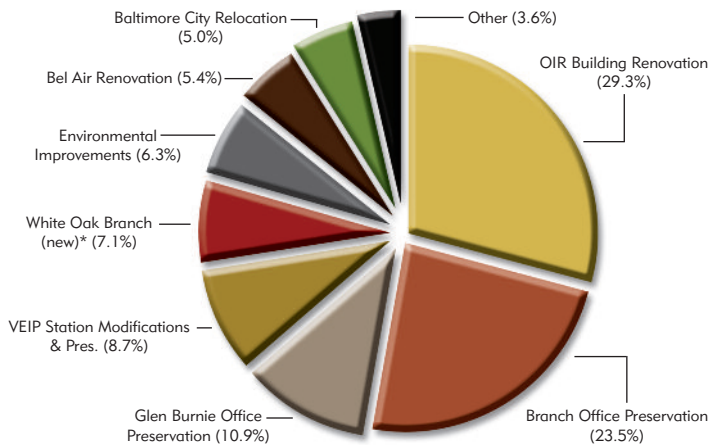
Two-thirds of the IT investment was made in computer equipment, alternative delivery systems and driver licensing systems. The remaining IT investments were spread among various projects such as Real ID and security systems, IT and telecom preservation & improvement, customer service improvements such as Customer Traffic Management System 2 (CTM2) and Central Scheduling System, and internal systems improvements related to accounts receivables, document processing and workflow efficiency.

Most facility investments were required for preservation and renovation of office buildings and customer service branches. A sizable investment was made to renovate the Office of Information Resources (OIR) building and to preserve the condition of the MVA headquarters building both of which are located at the Glen Burnie site. Further investments were made in the preservation of existing customer service offices statewide and to the renovation of the Belair branch. The network of VEIP stations required modifications to update the facilities for current testing methods and to preserve the overall condition of the structures. Other investments were made to complete the construction of a new branch facility at White Oak in Montgomery County, to make environmental improvements across the service delivery network and to relocate the Baltimore City office to a new, more efficient space located a few miles from the current location.

The majority of MVA's capital projects are for facility improvements and to upgrade and/or preserve its IT infrastructure and system applications. The charts on the subsequent page specify how these funds have been invested over the past six years.



Facility Investments

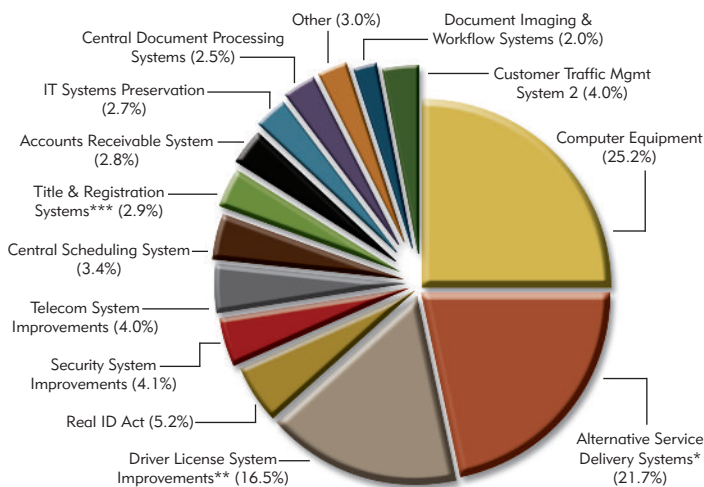


* Does not include project costs incurred prior to FY06

Facility Capital Projects FY06 – FY11

Facility Project	Percent	Dollars
OIR Building Renovation	29.3%	\$14,756,621
Branch Office Preservation	23.5%	\$11,855,055
Glen Burnie Office Preservation	10.9%	\$5,497,334
VEIP Station Modifications & Pres.	8.7%	\$4,408,082
White Oak Branch (new)*	7.1%	\$3,601,463
Environmental Improvements	6.3%	\$3,177,978
Bel Air Renovation	5.4%	\$2,742,356
Baltimore City Relocation	5.0%	\$2,532,193
Other	3.6%	\$1,822,719
Total	100.0%	\$50,393,801

Information Technology Investments



* Includes Kiosk & Internet Services

** Includes DLS Conversion, CDL Hazmat, and Skill & Law Test Improvements

*** Includes Disability Permitting System

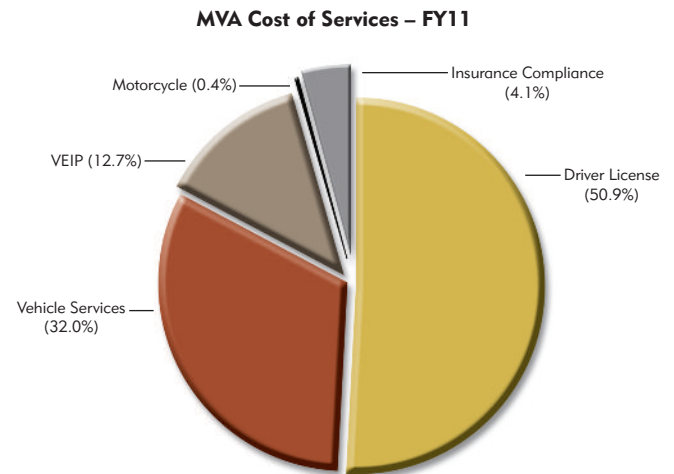
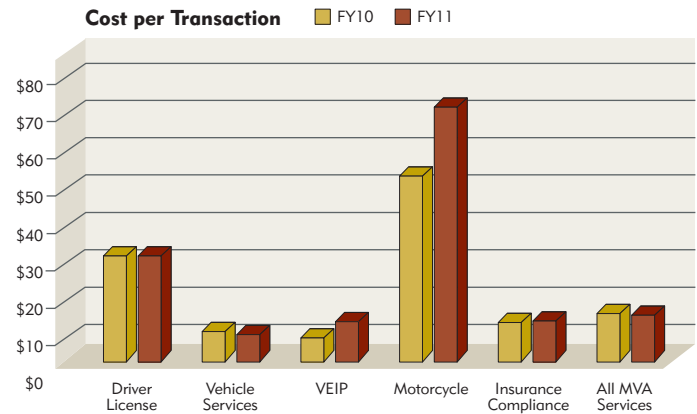
Information Technology Projects FY06 – FY11

Info Tech Project	Percent	Dollars
Computer Equipment	25.2%	13,473,620
Alternative Service Delivery Systems*	21.7%	11,611,922
Driver License System Improvements**	16.5%	8,836,848
Real ID Act	5.2%	2,759,812
Security System Improvements	4.1%	2,212,683
Telecom System Improvements	4.0%	2,140,270
Customer Traffic Mgmt System 2	4.0%	2,116,323
Central Scheduling System	3.4%	1,789,763
Title & Registration Systems***	2.9%	1,565,489
Accounts Receivable System	2.8%	1,483,639
IT Systems Preservation	2.7%	1,464,679
Central Document Processing Systems	2.5%	1,319,335
Document Imaging & Workflow Systems	2.0%	1,043,805
Other	3.0%	1,597,102
Total	100.0%	53,415,290

the cost of service and transactions

The cost of providing MVA services in any fiscal year is a function of agency expenditures required to conduct a number of services. The types of services can be classified into five core areas: Driver Licensing, Vehicle Services (Titling & Registration), VEIP, Insurance Compliance and Motorcycle Safety. Agency resources required to conduct service transactions, on average, was measured in recent fiscal years.

The majority of the costs to fulfill core MVA services went for Driver Licensing purposes again in FY11. Nearly one-third of total cost was for Vehicle-related services, with the remainder committed to VEIP, Insurance Compliance and Motorcycle, in that order. An increase in the number of Vehicle Services transactions in FY11, combined with a lower overall cost to deliver those services, resulted in a lower cost per transaction. VEIP costs increased over the prior fiscal year, mainly due to the effects of the VEIP transition/modernization at the testing stations in FY10.



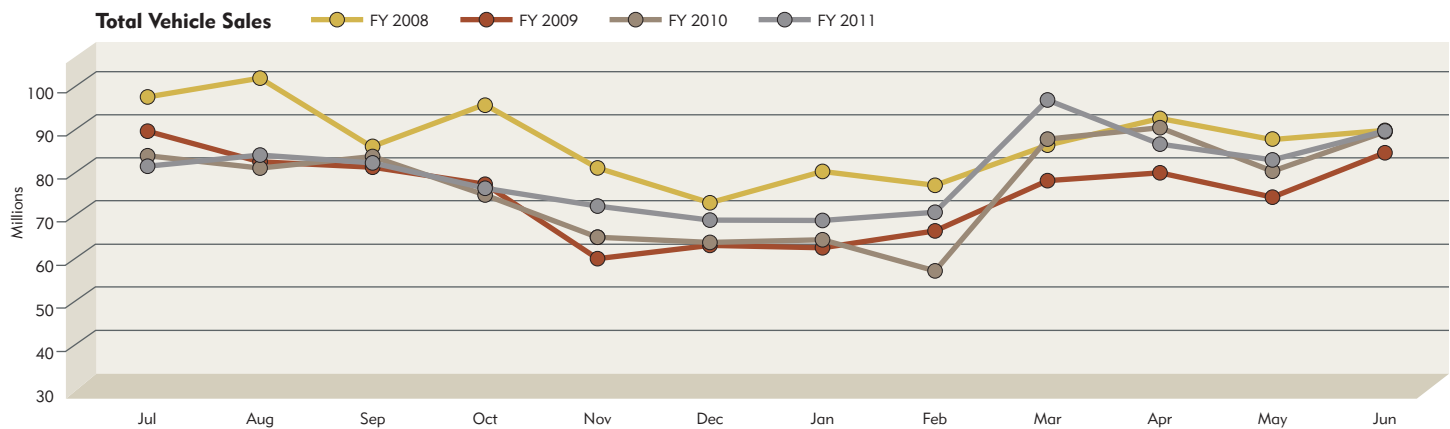
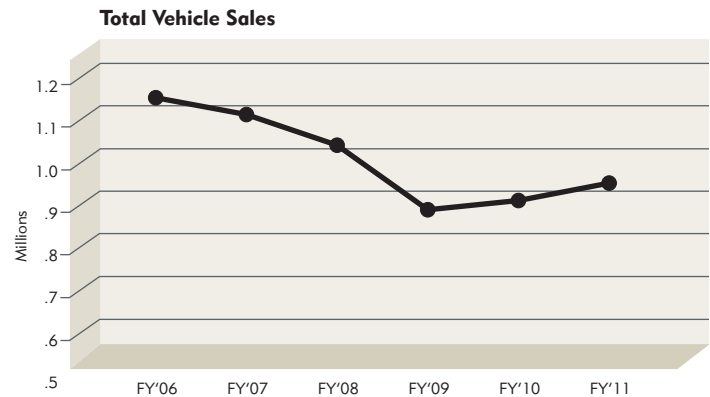
Transactions	FY10			FY11		
	Number of Transactions	Total Cost	Cost per Transaction	Number of Transactions	Total Cost	Cost per Transaction
Driver License	3,013,284	\$92,373,495	\$30.66	2,887,213	\$88,913,071	\$30.80
Vehicle Services	5,545,615	\$57,556,011	\$10.38	5,787,712	\$55,774,418	\$9.64
VEIP	1,164,226	\$10,140,109	\$8.71	1,696,799	\$22,170,337	\$13.07
Motorcycle	8,902	\$463,867	\$52.11	8,713	\$614,976	\$70.58
Insurance Compliance	568,054	\$7,290,615	\$12.83	534,913	\$7,093,425	\$13.26
All MVA Services	11,010,716	\$167,824,097	\$15.24	11,794,036	\$174,566,227	\$14.80

vehicle sales

Vehicle sales in Maryland peaked at over 1.1 million in FY06. Since then, as a result of the struggling economy, vehicle sales dropped by more than 23% through FY09; with the greatest reduction coming from FY08 to FY09 when the economy was at its lowest point in Maryland. However, from FY09 through FY11 there has been a slight improvement in the economy; and as a result, the trend of auto sales is now back on a slow but steady increase.

From FY09 to FY11 vehicle sales increased by 7%; specifically with FY10 to FY11 experiencing a 4.4% increase. In spite of this, FY11 sales were still 7.6% below their six year average.

Vehicle sales in Maryland are seasonal in nature with sales peaking in the spring and summer months and falling off during the fall season. As one might expect, vehicles sales are at their lowest in the winter months.



Total Vehicle Sales

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
JULY	96,794	93,273	94,250	86,243	80,529	78,070
AUG	115,136	103,667	98,596	79,121	77,683	80,517
SEP	101,850	93,018	82,789	77,957	80,353	78,891
OCT	88,759	93,279	92,313	73,943	71,500	72,914
NOV	81,968	80,914	77,753	56,645	61,485	68,826
DEC	79,016	76,976	69,581	59,831	60,464	65,585
JAN	90,479	84,707	76,929	59,217	61,007	65,531
FEB	91,893	73,153	73,756	63,087	53,741	67,327
MAR	85,539	94,375	83,096	74,792	84,430	93,524
APR	84,844	92,833	89,237	76,536	87,073	83,166
MAY	100,611	97,875	84,424	70,930	76,931	79,599
JUN	101,757	98,508	85,912	81,241	86,042	86,187
Total	1,118,646	1,082,578	1,008,636	859,543	881,238	920,137



SERVICING CUSTOMERS

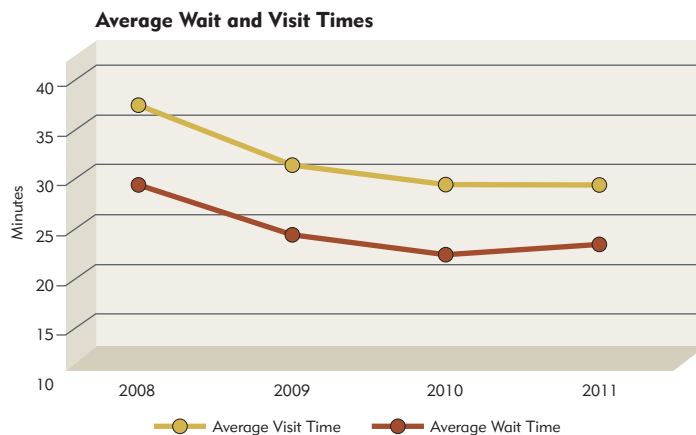
“... providing
the citizens of
Maryland
the highest
possible level
of service.”

— John Kuo, Administrator

average wait and visit times

Throughout the past several years the MVA has made a concerted effort to reduce the amount of time a customer has to wait to be served, and the amount of overall time a customer must remain in a branch office. Since 2008, average wait times have been reduced to 22 minutes and average visit times are lower by 22%. Much of the service time reductions can be contributed to fully implementing the CTM2 System in FY10. Although the MVA experienced a reduction in personnel resources during FY11, the MVA was able to maintain the lower wait and visit times.

The chart below demonstrates how wait and visit times have changed since 2008.



transactions by delivery type

In FY11, the total number of MVA transactions increased by 7.1% with walk-in business increasing at a modest 3.8%. The largest growth came from the Kiosks with the number of transactions increasing from 48,000 to 245,000 - a 409% increase.

This increase was due to a new generation of Kiosks being installed at every branch office, as well as implementing a new policy beginning in February 2011 requiring anyone with a clean renewal to use an alternative method (Kiosk, Internet, IVR or ERT) to do their renewal.

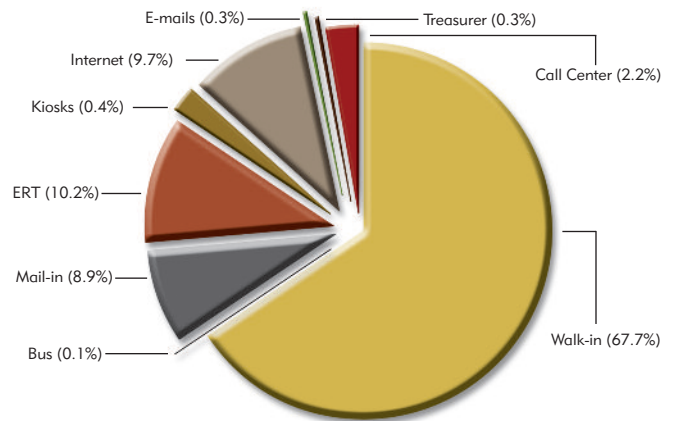
Another alternative method that showed a significant increase in transactions was ERT – 14.2% growth. During FY11, the MVA made a concerted effort to get more dealers and tag and title services to use ERT. In addition, during FY11, the MVA required all ERT participants to process tag returns electronically. Finally, with society in general becoming more technologically savvy, Internet transactions rose by almost 12% or 125,000 transactions.

The chart to the right illustrates the contribution of each type of service delivery type in FY11.

Number of Transactions By Delivery Type

Delivery Type	FY11	FY10
Walk-in	7,739,406	7,459,090
Bus	14,006	15,135
Mail-in	946,171	979,417
ERT	1,285,251	1,125,969
Kiosks	245,071	48,078
Internet	1,198,843	1,073,206
E-mails	33,860	32,492
Treasurer	27,945	30,367
Call Center	303,483	246,963
Total	11,794,036	11,010,717

Transactions by Type of Delivery



transactions by service type

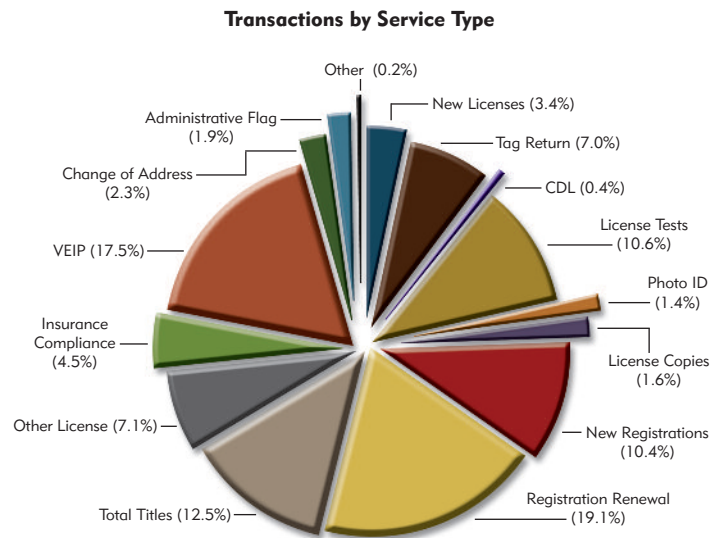
When evaluating MVA transactions by type of service, it becomes very apparent that the major service contributor to the 7% increase in overall transactions is VEIP. Total VEIP transactions increased by over 44% from 1.4 million in FY10 to 2.1 million in FY11.

Also, of significance is the reduction in the number of driver license renewals. In FY10, 744,000 customers renewed their license while in FY11 only 665,000 renewed - an almost 11% decrease.

When the MVA transitioned to a five-year driver's license, it established a five-year cyclical pattern for license renewals. During FY11, the MVA was at its low point in the cycle; thus, accounting for the decrease. It is interesting to note that new driver's license transactions increased at a moderate rate of 0.5%.

The number of registrations, registration renewals and new titles all increased between 2% - 4% in FY11, which is what one would expect from the moderate growth the MVA has been experiencing over the past 10 years.

The chart to the right represents the breakdown of transactions in FY11 by service type.



Number of Transactions By Service Type

Service Type	FY11	FY10
New License	399,639	397,476
License Tests	1,248,173	1,295,463
Renewal	665,379	744,412
Corrections and Duplicates	176,582	184,000
CDL	52,113	54,244
Photo ID	161,576	156,489
Certified Copies	183,751	181,201
Registration	1,230,764	1,187,226
Registration Renewal	2,254,213	2,177,085
Titles - New	1,004,899	973,065
Titles - Other	471,130	459,591
Tag Return	826,706	748,648
Insurance Compliance	534,913	568,054
Business Licenses	10,892	9,419
VEIP Tests	1,696,799	1,164,226
VEIP Extensions (See Note)	288,836	204,875
VEIP Exemptions and Wavers	82,897	62,784
CSC - Service Transactions	8,061	8,511
Change of Address	268,223	260,354
Administrative Parking Flag Removal	228,490	173,594
TOTAL	11,794,036	11,010,716

customer satisfaction survey

Customer Satisfaction is important to the MVA! With that, the MVA conducts a quarterly customer satisfaction survey to obtain a sense of how customers perceive the service levels received by the MVA. Over a one month time period, five days are selected (each one being a separate day of the week) at random and each customer coming to a branch on one of those days is given the opportunity to participate in the survey.

Survey cards are handed out to all customers and they are encouraged to complete them and rate their service experience. All completed cards are placed in a locked

box by the customer filling out the form. The cards are then collected and evaluated by non-branch personnel.

The goal at the MVA is to maintain a statewide average of 90% or better. In FY11, the average was 89.9%, which is 0.3% higher than FY10. Despite the pressures from a reduction in employee staffing and increased regulations, the MVA's focus on customer satisfaction is evident in these remarkable scores.

Below is a chart summarizing the survey results by branch for FY11.

Customer Service Survey - FY11

	Survey Responses	Response Rate	Average Visit Time	Visit Time Satisfaction	Single Visit	Satisfaction With Employee	Customer Satisfaction
Full Service Offices							
Annapolis	2,184	12.7%	45	85.9%	95.1%	98.1%	94.1%
Baltimore City	3,044	13.8%	49	80.4%	91.6%	93.8%	87.7%
Bel Air	899	6.8%	49	72.7%	92.6%	91.7%	84.5%
Beltsville	3,536	16.6%	56	74.0%	87.6%	91.0%	84.4%
Cumberland	2,083	42.1%	16	96.9%	93.9%	99.0%	97.5%
Easton	997	12.7%	40	81.3%	91.7%	95.4%	90.7%
Elkton	1,165	16.1%	30	87.4%	95.3%	98.2%	94.5%
Essex	687	4.8%	64	69.0%	90.1%	90.6%	78.9%
Frederick	1,503	10.3%	40	83.3%	90.9%	94.3%	89.9%
Gaithersburg	4,425	19.8%	58	72.2%	83.6%	91.9%	85.2%
Glen Burnie	4,173	12.5%	35	92.6%	94.1%	97.6%	95.6%
Hagerstown	2,678	27.4%	26	95.1%	95.2%	99.2%	97.9%
Largo	2,444	9.2%	56	79.7%	92.0%	95.5%	89.4%
Loveville	527	7.7%	29	89.3%	94.6%	95.1%	93.0%
Mobile Bus	742	44.7%	11	99.5%	98.9%	100.0%	99.9%
Salisbury	1,721	14.5%	23	93.8%	93.2%	97.1%	96.5%
Waldorf	2,417	14.9%	33	90.8%	93.9%	95.1%	94.0%
Westminster	1,738	19.0%	50	73.2%	90.7%	93.6%	85.0%
White Oak	1,057	6.2%	69	59.1%	81.2%	83.6%	74.8%
Weighted Average		13.7%	46	81.2%	91.1%	94.2%	89.1%
Total	38,020						
Express Offices							
Columbia	2,445	34.0%	28	90.5%	97.7%	99.0%	96.6%
Glenmont	1,859	22.8%	22	95.2%	96.2%	98.6%	98.0%
Parkville	1,579	21.8%	25	92.1%	97.9%	99.3%	97.7%
Walnut Hill	4,153	59.8%	23	91.8%	97.4%	99.1%	96.9%
Weighted Average		34.0%	24	92.5%	97.3%	99.0%	97.3%
Total	10036						
Satellite Offices							
Oakland	272	22.7%	24	88.6%	91.5%	95.6%	92.8%
Prince Frederick		0.0%					
Weighted Average		22.7%	24	88.6%	91.5%	95.6%	92.8%
Total	272						
Statewide							
Weighted Average		15.7%	44	82.3%	91.7%	94.6%	89.9%
Total	48,328						

vehicle emissions inspection program (VEIP)

During the first half of FY10, the MVA replaced its current VEIP vendor and revised its emissions inspection process. Previously, vehicles were tested using a dynamometer test which was cumbersome and took time to complete. Today, the new onboard diagnostic test only requires a cable to be hooked to the vehicle's computer and takes just minutes to complete. In fact, it takes more time for the customer to pay for the service than it does to actually run the test.

As a result of these enhancements, the number of VEIP tests and other transactions in the first half of FY10 were limited. In FY11, VEIP activities returned to normal capacity and the number of tests and fees received increased by 45% and 48% respectively when compared to FY10. Of significance, the number of VEIP tests and amount of fees collected in FY11 increased by 6% and 10% respectively over FY09, the last recorded year of uninterrupted service.

As result of these changes the service at VEIP stations has vastly improved. The average wait time is now 4.3 minutes compared to a goal of 15 minutes. The MVA has been able to maintain its fee at \$14 which is one of the lowest in the nation while meeting or exceeding the state's clean air standards.

Vehicle Emissions Inspection Program

	FY 2009	FY 2010	FY 2011
Vehicle Tests			
Paid	1,510,229	1,094,555	1,601,018
Gratis	96,479	68,244	95,821
Total	1,606,708	1,162,799	1,639,349
Vehicle Test Fees			
Inspection	\$21,143,220	\$15,323,770	\$22,414,252
Late	\$8,051,175	\$6,265,025	\$9,600,225
Total	\$29,194,395	\$21,588,795	\$29,373,168



business licenses

As the economy improves in Maryland, the activity in Business Licensing has been increasing. Overall, the number of business licenses issued in FY11 increased by 33%. The largest contributor to this increase came from salesperson's licenses. The number of vehicle salesperson licenses issued increased by over 70%.

With the significant increase in the number of salesperson's applying for licenses, the MVA implemented a new mail-in renewal process, which eliminated the need to visit a branch office to obtain a license. A salesperson can now renew their vehicle sales license by mailing their photo, along with the authorization form, and the required fee to the MVA. In turn, the vehicle sales license is mailed to the dealership. This newly implemented process has reduced the number of walk-in renewals at the branch offices.

Of significant success in FY11 was eliminating the requirement for a dealer representative to wait in-line at a branch office to obtain cardboard 60-day temporary tags; as this transaction is now processed through the ERT system. The cardboard tag has been replaced with a newly implemented process that allows the dealer to print a temporary tag on standard paper at the time of customer issuance. In using this new functionality within the ERT system, the MVA's database automatically updates in real-time. This information is immediately available prior to the customer driving their newly purchased vehicle away from a dealer's lot.



Business Licensing	Number of Transactions	
	2011	2010
Regulatory Licenses		
Salesman's License	5,985	4,510
New Car Dealer's License	224	209
Used Car Dealer's License	459	443
Motorcycle Dealer's License	37	38
Trailer Dealer's License	118	104
Boat Trailer Dealer's License	15	39
Wrecker's License	82	38
Scraper's and Processor's Licenses	64	9
Manufacturer's License	50	30
Distributor's License	14	21
Factory Branch License	1	1
Title Service Agent License	152	190
Wholesale Dealer License	465	384
Driver School Licenses		
Original	58	75
Renewal	224	166
Total Regulatory Licenses	7,948	6,257

office of information resources (OIR)

FY11 was a busy year for OIR, which completed transition activities for Central Scheduling, Dealer Log, Business Licensing, Correspondence Tracking, Combined Branch Deposit and Case Investigations applications from contracted vendors to in-house support.

OIR also implemented HB0072, the tax compliance legislative change, which allows the MVA to interface directly with the Comptroller's office to flag individuals who owe back State taxes. This legislative change requires MVA customers to arrange for payment of their back taxes before renewing their driver's license and registration. The MVA website was enhanced to make it easier for customers to complete this transaction.

Maryland's MVA was the first State in the nation to deploy the Commercial Drivers License Information System (CDLIS 5.0) which ensures a continuation of federal funding for Maryland transportation. This project allowed the MVA to test and verify the accuracy of its driver history information and implemented specific Real ID requirements.

The process of updating MVA's IT systems toward the ultimate development of a comprehensive Enterprise Management System (EMS) was overtaken in FY11. As part of the planning activities, a document matrix describing item deliverables was created to support implementation of this system. Overall, a two-stage acquisition and development process for the EMS project was defined.

OIR also participates in the agency's efforts to increase the use of ERT by new and used car dealers. OIR staff implemented new functionality into the ERT system which allowed for the electronic issuance, capture and query of paper temporary tags issued by dealerships.

To date, a primary initiative of the MVA is to be able to send out renewal notices by email. OIR supported this effort by making the necessary system modifications to allow email addresses to be captured.

Supporting the needs and requirements of all MVA personnel is one of OIR's primary functions. Service requests, which consist of incidents, defects, enhancements, research, etc., increased for the third year in a row. OIR experienced a 65% increase in service requests from 2009 to 2011. During the same period, 2009-2011, OIR saw a fivefold increase for open service requests from 61 in 2009 to 330 open tickets in 2011.



number of maryland drivers by age - ending FY11

The number of drivers in Maryland has been growing at a slow but steady rate. This is a result of the growth in the number of drivers over the age of 25. However, it is important to note that the number of teen drivers has been decreasing over the past several years. The MVA believes this is due to the enactment of stronger teen driving laws; to include the increased age requirement in which an individual can obtain a learner's permit. Also in FY11, the skills test all drivers must take became more comprehensive with the implementation of on-road testing.

Below is a breakdown of the number of drivers by age.

Drivers License Age Stratification

AGE	2011	2010	2009	2008	2000	1995
16	5,722	7,393	12,410	13,318	18,226	21,701
17	27,382	32,129	36,795	39,466	39,168	33,767
Sub-total	33,104	39,522	49,205	52,784	57,394	55,468
18	42,877	47,081	50,749	53,253	45,526	41,161
19	52,571	56,570	60,076	58,922	49,648	43,037
Sub-total	95,448	103,651	110,825	112,175	95,174	84,198
Teen Sub-total	128,552	143,173	160,030	164,959	152,568	139,666
20	59,974	63,839	63,485	62,449	51,891	45,900
21	66,091	66,225	66,309	64,272	50,424	44,278
22	65,460	66,236	65,427	63,536	49,931	48,209
23	68,649	68,468	68,165	66,074	52,742	55,251
24	71,299	71,762	71,369	68,204	54,061	64,563
Sub-total	331,473	336,530	334,755	324,535	259,049	258,201
25 - 29	381,065	380,409	376,083	363,270	312,851	344,678
30 - 34	377,074	368,267	360,437	347,504	373,513	412,929
35 - 39	358,505	371,072	380,632	387,085	426,788	416,337
40 - 44	400,624	401,910	407,990	416,478	413,565	378,773
45 - 49	429,469	436,837	438,300	435,445	370,476	349,432
50 - 54	418,658	411,094	405,784	397,611	331,384	268,418
55 - 59	361,199	353,650	343,391	336,945	249,507	201,102
60 - 64	309,493	294,569	283,007	271,308	180,535	163,133
65 - 69	212,612	206,029	197,736	189,403	143,994	147,115
70 - 74	144,174	138,632	134,840	131,226	126,067	122,856
75 - 79	102,831	101,367	101,151	102,926	98,753	81,954
80 - 84	73,496	73,194	73,069	74,509	56,249	41,141
85-Over	55,086	40,134	39,123	39,281	21,893	15,034
Sub-total	3,624,286	3,590,237	3,553,727	3,505,289	3,453,394	3,416,963
Grand Total	4,084,311	4,069,940	4,048,512	3,994,783	3,937,181	3,895,301

number of registered vehicles by county

Since FY2000, the number of registered vehicles in Maryland continued to grow consistently at a modest rate of 0.2% per year. In FY11, the number of registered vehicles changed very little from county to county. However, over the past 10 years, St. Mary's (36%), Calvert (34%), Queen Anne's (32%) and Frederick (27%) have all shown a significant growth in the number of vehicles. Conversely, Baltimore City saw an 11% drop in the number of vehicles.

Below is a listing of the number of registered vehicles by county by year.

Vehicle Registration by County

COUNTIES	2011	2010	2009	2000	1990	1980	1970	1960
ALLEGANY	62,512	62,917	64,176	61,604	59,175	58,135	42,464	33,238
ANNE ARUNDEL	533,106	522,351	500,815	443,587	372,187	280,434	147,414	69,204
BALTIMORE	663,514	664,556	666,862	597,466	591,708	503,077	324,277	190,231
BALTIMORE CITY	285,394	279,320	334,668	314,145	293,390	348,379	318,140	282,219
CALVERT	91,768	91,271	89,905	68,161	48,437	26,774	11,158	5,793
CAROLINE	36,667	36,570	38,120	31,938	26,064	22,551	12,787	10,577
CARROLL	177,125	176,566	173,967	142,307	116,940	81,028	39,140	24,963
CECIL	94,563	93,602	92,986	76,241	60,244	43,127	25,769	17,970
CHARLES	140,423	137,412	134,361	105,111	87,252	53,680	22,435	12,318
DORCHESTER	31,672	31,891	32,783	29,119	26,966	23,528	17,115	12,818
FREDERICK	227,672	225,606	222,263	179,129	143,304	90,443	46,505	29,751
GARRETT	33,202	33,461	32,561	28,393	22,533	17,958	10,714	8,269
HARFORD	237,096	231,404	227,471	192,082	149,512	107,857	55,821	29,081
HOWARD	255,497	249,236	248,617	216,534	160,080	94,302	35,570	15,220
KENT	21,397	21,584	22,539	19,426	16,708	13,920	9,811	7,338
MONTGOMERY	752,503	737,503	730,374	650,261	584,373	444,939	288,672	144,049
PRINCE GEORGE'S	633,920	628,436	622,334	550,048	535,132	460,754	325,985	139,873
QUEEN ANNE'S	53,938	53,810	51,436	40,911	33,114	21,074	10,476	7,387
SOMERSET	20,382	20,711	19,993	17,939	16,224	13,654	9,338	7,130
ST. MARY'S	105,942	102,743	103,097	76,601	58,987	39,582	18,924	10,910
TALBOT	42,380	41,911	41,953	34,759	29,518	23,037	14,937	10,648
WASHINGTON	137,204	136,929	136,025	114,103	102,692	85,668	54,940	37,634
WICOMICO	88,153	88,160	90,825	73,430	63,376	50,312	33,196	22,756
WORCESTER	56,627	59,324	57,496	47,720	36,626	25,515	14,726	11,118
COUNTY TOTAL	4,782,657	4,727,274	4,735,627	4,111,015	3,634,542	2,929,728	1,890,314	1,140,495
NO COUNTY LISTED	-	2,392	-	2,520	2,213	938		1,380
GRAND TOTAL	4,782,657	4,729,666	4,735,627	4,113,535	3,636,755	2,930,666	1,890,314	1,141,875

other MVA activities

Driver's Licensing – The 2011 Maryland Driver Challenge is the capstone of a multi-year overhaul for the driver licensing process in Maryland. The business re-engineering process has included rewriting the driver education curriculum and regulations to emphasize successful education and public safety strategies; revising the graduated driving licensing laws to raise the provisional driving age to 16 years and 6 months and adding more enforcement for violations; banning texting and handheld cell phone use; rewriting the driver handbook and making it available for download in MP3 format; introducing the new online knowledge tutorial; and beginning in October 2011, administering a completely new 25-question knowledge test reflecting both the new handbook and the new tutorial.

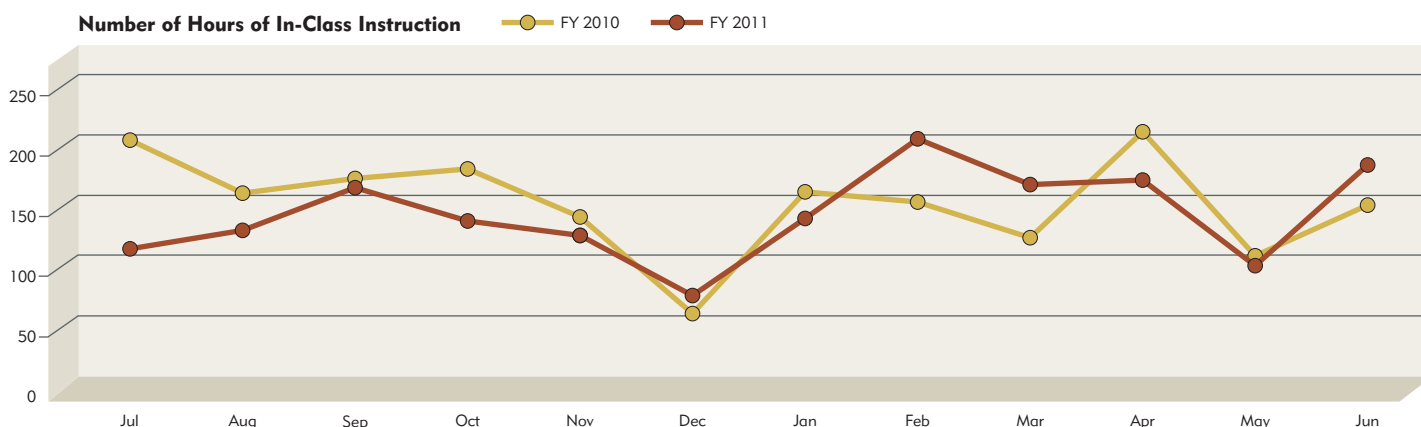
Maryland also added an on-road component to the driving skills test with an electronic driving test scoring system utilizing a Tough Book tablet. This system is more efficient as it automatically transmits the score sheet to the driver's licensing application, makes the scoring more consistent and removes any chance for a bias in determining the result.

Customer Service Centers (CSC) – The implementation of the Call Tracking System (CTS) was completed when all branches were trained in its use. The tool is used to pass customer issues to the appropriate MVA department to manage them. The branches can now receive and manage customer issues via the tool and managers can track their rate of completion.

Internal Auditing Division – Internal Auditing performs independent evaluations of the adequacy and effectiveness of the agency's internal controls to provide reasonable assurance that financial information is reliable and assets are properly safeguarded. This includes reviewing the operations or programs of businesses licensed by the MVA to ascertain whether they are being carried out according to the MVA's policies and regulations. In FY11, the Internal Auditing Division performed a total of 209 audits, of which 118 were dealers and 25 were International Registration Proportion (IRP) which is responsible for the registration of out-of-state commercial vehicles. As a result of dealership audits, \$69,934 in additional excise taxes was collected.

Investigations – The Investigations and Internal Affairs Division is charged with determining whether anyone, either external or internal to the MVA, has committed a violation of MVA rules and regulations and/or State of Maryland laws. In FY11, the Unit investigated 72 potential incidents. Of the 72 incidents, 26 were found to have merit. In addition, the Unit worked with several local jurisdictions to enforce a variety of Maryland's laws and policies; including the arrest of participants in a major multi-state auto theft ring which had stolen hundreds of vehicles totaling more than \$10 million.

Organizational Development (OD) – To enhance employee development, OD has been working vigorously to improve the courses and programs offered at the MVA. They redesigned and enhanced the Fraudulent Documentation Recognition (FDR) Training Program and the New Employee Orientation (NEO) training which now includes FDR and operations training. They are in the process of developing an Employee Certification Program designed to ensure that branch employees are recognized as they reach higher levels of expertise. In addition, they filmed and edited a motorcycle video and a video called “Years of Service” for those with who have been with the MVA for more than 25 years. In FY11, OD provided 1,614 hours of in-classroom training to MVA employees.



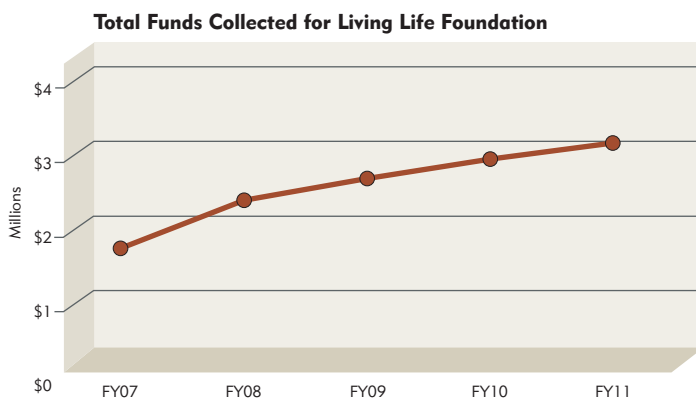
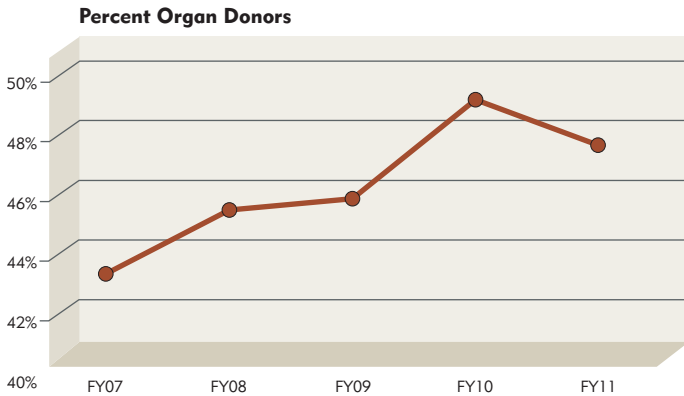
Minority Business Enterprise (MBE) – The MVA awarded almost \$12 million to minority owned businesses in FY11. This represents 47.5% of all awards and an almost fourfold increase in what the MVA awarded to minority businesses in FY10.

MVA awarded \$11.9 million to MBE primes and subcontractors. The majority of these funds can be attributed to modifications approved by MDOT to extend 12 of MVA’s Consulting and Technical Services (CATS I) contracts totaling \$10.9 million. Five of these were awarded directly to MBE primes totaling \$2.1 million and \$4.2 million was awarded to MBE Subcontractors.

MVA extended six staffing contracts, three of which were awarded to MBE Primes totaling \$1 million and three maintenance contracts were awarded each with an assigned MBE goal with subcontracting awards totaling \$469,559.

organ donors

The MVA takes a considerable amount of pride in its alliance with the Living Life Foundation. The percentage of individuals who have committed to be an organ donor has increased to almost 48% of driver's license and identification card holders. In addition, since the inception of the partnership, the MVA has raised nearly \$3 million for the Foundation.





SAFETY IS OUR TOP PRIORITY

As our services touch the lives of nearly every Maryland resident, it is our responsibility to ensure that the safety of Maryland's roadways always remain a top priority. Safety awareness is comprehensively integrated into every product, process and program initiated by the MVA in order to ensure those travelling throughout Maryland remain safe from potential driver and vehicle hazards. The MVA prides itself on being a leader in the driver safety arena by ensuring that all drivers are knowledgeable of the rules of Maryland's roads; possess the proper driving skills and abilities required by law; and are free of distractions, drugs and alcohol while behind the wheel of a moving vehicle.

In FY11, Maryland became the first State in the country to complete a Driver Education Assessment with the support of the National Highway Safety Administration and the Maryland Highway Safety Office to ensure that new drivers have the proper training and skills to be safe drivers. MVA initiated several new safety programs as a result of this assessment. For instance, the MVA had undertaken a driver safety initiative in FY11 to completely enhance the Maryland Driver's Manual since we know that an improved license training program focused on critical knowledge requirements can reduce crashes and ultimately save lives. The enhanced format of the Driver's Manual is now easier for driver applicants to read and understand. This new manual was released to the public in July 2011, with much positive feedback received from both new drivers, as well as the parents of newly licensed drivers.

"Safety awareness is comprehensively integrated into every product, process and program initiated by the MVA..."

The MVA has taken the lead in the driver safety arena through programs such as:

- MD Driver's Challenge
- Driver Wellness & Safety
- Medical Advisory Board
- Older Drivers
- MD Graduated Licensing System
- Motorcycle Safety Program
- Ignition Interlock Program
- Maryland Highway Safety Office (Coming FY2012)



MVA

Motor Vehicle Administration

Motor Vehicle Administration
Hours of Operation
Monday - Friday 8:30 AM - 4:30 PM
Every Saturday 8:30 AM - 12 Noon
Closed All State Holidays

Vehicle
Registration
Services

MVA
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